



**DEFENSE LOGISTICS AGENCY**  
**DEFENSE CONTRACT MANAGEMENT COMMAND**  
**8725 JOHN J. KINGMAN ROAD, SUITE 2533**  
**FT. BELVOIR, VIRGINIA 22060-6221**

IN REPLY  
REFER TO A Q O

AUG 19 1997

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION AND  
TECHNOLOGY)  
PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE  
(ACQUISITION AND TECHNOLOGY)  
DIRECTOR, DEFENSE PROCUREMENT  
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DEVELOPMENT AND ACQUISITION)  
ASSISTANT SECRETARY OF THE AIR FORCE (ACQUISITION)  
DIRECTOR, BALLISTIC MISSILE DEFENSE ORGANIZATION

SUBJECT: Single Process Initiative (SPI) Biweekly Activity Report

Forwarded for your review is our biweekly report for the period ending August 15, 1997. This report features a new look and emphasis on issues and results. It highlights actions DCMC has taken since our last report to bolster our management approach. Future reports will strive to propose methods to consistently improve the marketing of the initiative and processing of concept papers.

Should you have any questions or concerns regarding information contained in the attached report, please contact Ms. Marialane Schultz, SPI/Block Change Management Team Leader at (703) 767-2471.

ROBERT W. DREWES  
Major General, USAF  
Commander

Attachment

cc:  
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***Single Process Initiative  
Biweekly Report  
August 15, 1997***

***SPI Team Briefs Defense Systems Affordability Council (DSAC)***

- On August 7, 1997, provided details on SPI progress and innovations impacting systems affordability and sustainment
- Packaging case study highlighted lingering cultural resistance to implementing sensible packaging concepts
- Case study also illustrated SPI process broke down as a result of issues not being elevated expeditiously
- Recommendations to DSAC included continued OSD support of SPI and assistance in removing barriers to commercial packaging
- DCMC to provide periodic updates to DSAC

***OSD and SAEs Can Help Remove Packaging Barriers***

- DUSD (Logistics):
  - Follow-up on August 13, 1997 memo to DSAC attendees which elevated priority and addressed the need for adequate funding of MIL-STD-2073-1C packaging software upgrades
  - Issue MIL-STD-2073-1C tailoring guidance, allowing contractors to use commercial packaging best practices, including material selection and design, where appropriate
- SAEs continue to work the General Electric Aircraft Engines packaging issue and should reevaluate all packaging concept papers

***DLA Breaks Log Jam for Allied Signal***

- Contractor commercial packaging proposal rejected by Management Council and elevated to HQ DLA
- HQ DLA facilitated acceptance of proposal with minor changes to bar-coding
- This is a good example of escalated issues resulting in timely implementation
- Sparked review of how and why processes have been or should be escalated

***More Process Escalations Expected***

Only a few concept papers have been escalated beyond the level of the Management Council yet many are aging beyond the 120 day goal.

- DSAC briefing demonstrated the need for more visibility of where the SPI process is stalled
- DCMC policy letter dated July 28, 1997 requires contract administration offices and Management Councils to establish clear procedures, milestones, and indicators for measuring progress, resolving/escalating disputes, and overage concept paper recovery plans
- New Single Process Initiative System database being deployed to provide real-time SPI status and reporting capability and allows more judicious analysis of trends and overages
  - provides more visibility on concept papers that are stalled
  - enhances analysis of disagreements and non-concurrences
  - highlights the relationship between objections and withdrawals

### ***More Process Escalations Expected (Continued)***

- OSD reviewing escalation policy
  - Current policy does not require elevation if all components unanimously agree to reject a contractor's concept paper. This undermines SPI intent of defaulting to "yes;" we anticipate a change shortly. In the interim, we have asked DCMDs to provide summary information on aging concepts and identify those requiring escalation at our monthly Executive Council meetings.
- Items Recently Escalated due to Establishment of New Procedures:

<u>Contractor</u>	<u>MIL Requirement</u>	<u>New Process</u>	<u>Date to CTL</u>
Northrop Grumman ESID & SBMS, Melbourne, FL	MIL-STD-1535	ISO-9000/9004-1	Feb 1997
	MIL-STD-1520	ISO-9000/9004-1	Feb 1997
	MIL-STD-45662A	ISO-9001	Jun 1997

Discussion: These three concept papers were escalated by Defense Contract Management District (DCMD) East to the Air Force member of the HQ Block Change Management Team on August 14, 1997 for resolution. The reported cause of the delay is a lack of customer response, however, these should have been escalated for assistance earlier.

<u>Contractor</u>	<u>MIL Requirement</u>	<u>New Process</u>	<u>Date to CTL</u>
Boeing Defense & Space	MIL-P-55110	Industry Best Practice	Feb 1997

Discussion: This concept paper was escalated by DCMD East to NASA Marshall Space Flight Center (MSFC) and to Johnson Space Center (JSC). MSFC will apparently disapprove this change due for technical reasons related to the criticality of space flight hardware; the final decision will be made by the Center Director. The JSC Deputy Director has not yet made a determination regarding the technical feasibility of implementing this change on the International Space Station and Space Shuttle programs.

### ***Lockheed-Martin Holds First Corporate Management Council Meeting***

- NASA, Military Services, and OSD represented at August 12, 1997 meeting
- Council will emphasize opportunities to leverage best practices across the corporation: focus will be on high payoff concepts
- Council also agreed to identify potential barriers to acquisition reform and raise them to OSD, Military Services, or DCMC for resolution

### ***SPI Statistics***

- Unavailable due to new system deployment - Will return in our September 12, 1997 Report

### ***There's More Ripe Fruit***

- DCMC letter dated August 8, 1997 shares the attributes of an effective Management Council based upon the experience of successful ones
- A DCMC policy letter will soon be issued urging Management Councils to utilize the vast amounts of currently available information on proven methods and new ideas, including such internet sources as the Navy's Best Manufacturing Practices site, [www.bmpcoe.org](http://www.bmpcoe.org)

### ***There's More Ripe Fruit (Continued)***

- Concept papers approved or under development at various locations take a leap forward
  - 24 packaging proposals submitted to use commercial practices. DCMC taking action to ensure unified DoD position to remove implementation obstacles, ensure timely disposition, and to leverage across industry
  - recycling of plastic media blasting material used in paint stripping process submitted by Korean Air Lines to render savings in material cost, labor dollars, and disposal costs
  - contractors looking at more efficient means of parts marking and management
- These have broad application and a high potential for leveraging savings

### ***Upcoming Conference of Note For Promotion of SPI***

- Third Annual Joint Government/Industry Conference co-sponsored by several major industry associations in coordination with OSD will feature an SPI theme
- Conference will be held October 27-30, 1997 at the Sheraton National Hotel in Arlington, VA
- Registration information: Electronic Industries Association, 703-907-7568, or [www.eia.org/gd](http://www.eia.org/gd)

### ***In Summary...***

- Still much work to be accomplished
- Improvements to SPI policy and process to ensure contractor concepts are given timely and fair consideration in the works
- DSAC briefing and the resulting increased positive support from Military Services and OSD staff have re-energized and re-focused SPI efforts
- DCMC stepping up efforts to share innovations with leveraging potential